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other was that on January 1, 1876, the National Treasury would redeem, in coin, any United States notes that were presented. This act was not to take effect, in its material provision, until four years from the date of its passage. Steps were taken by Secretary Knowlton, and your distinguished citizen, Secretary McCullough, for the gradual redemption of the currency by silver, but, until the spring of 1877 no material preparation was, or could well have been, made for the redemption of United States notes, which course was pursued until November 1st, when Congress completely denominated the currency as fiat money, and refused to redeem it. This act, directly improving, when Congress met, and a bill speedily passed the House of Representatives to repeal the retraction act. This and other proposed measures affected seriously the public credit, and stopped the sale of bonds at a discount. An examination of financial problems by the committees of both Houses and the debates in Congress, resulted in a Senate report recommending that the Senate to refuse to pass the bill for the relief of the resumption act, and finally

ation of importations by the action of the Treasury Department in preventing fraudulent invoices and undervaluations.

During the fiscal year 1878, the receipts of the Government were \$13,000,000 less than in 1877, yet in 1878, there was a surplus revenue of \$20,700,000, while for the year 1879, the surplus revenue will amount to not less than \$20,000, which may be increased when full returns of the receipts are received.

While Congress reduced the revenues

if not redeemable in coin it depends in value, and more of it is necessary to conduct business. It causes overtrading and speculation, not only as the prices of commodities, but as to own value. This is soon shown in the advance of the rate of interest, and what is called a scarcity of money. This principle is stated by such old writers as Adam Smith and Thomas Tooke, and is followed by the rate of interest, business and since resumption. Private de-

1000 prescribed by the gold laws, and  
must have kept the United States notes in  
circulation, and depreciation; but in-  
stead they have been so paid by redemption. All  
the five-hundred and ten-fourty bonds re-  
deemed this year, amounting to \$637,316,  
have been paid in greenbacks, and the  
interest on all the bonds is paid in green-  
backs, and all this is done without raising  
any question of good faith with the public  
creditors. They also demanded that the  
coupons should be paid in green-

Treasury. The sensible course to be pur-  
sued with the silver question is to treat it  
as a practical one, and to coin it without  
limit only when the commercial nations  
have agreed upon a parity ratio upon  
which they can all stand. It is now be-  
lieved that this can be brought about by  
new treaties, and a negotiation is  
now pending for that purpose. In the  
meantime silver coin should be limited in  
amount to a sum that can be maintained at

is this dogma demand? For the latter  
pose to pay its debts it would need  
at \$1,700,000,000, and for the former  
pose, according to a moderate estimate  
a conservative Greenbacker it would  
require any where from \$700,000,000 to  
\$1,000,000,000 more. In other words they  
propose to strike at the foundation of all  
commerce by the issue of irredeemable paper  
money, to be used a part in paying the na-  
tional debt in violation of the public faith,











